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1 April 1993



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# ***JPRS Report***

## **Near East & South Asia**

***EGYPT***

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# Near East & South Asia

## EGYPT

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## International Affairs

### Arab-Americans Urge Caution Over Arrest of Jordanian

NC05031249 Cairo MENA in Arabic 1213 GMT 5 Mar 93

[Excerpts] Washington, 5 Mar (MENA)—Arab-American organizations today appealed to the American public and mass media to "proceed cautiously" and avoid being rash in judging the issue of Jordanian Muhammad Salamah, who was arrested yesterday on suspicion of being associated with the explosion at the World Trade Center in New York.

A statement by the Arab-American Anti-Discrimination Committee, the major Arab-American organization in the United States, asserted that all Americans of Arab origin condemn acts of terrorism, emphasize that there is no room for such acts on American territory, and strongly support firmness in applying the law to anyone proved to be associated with terrorist acts like the Trade Center explosion.

The statement called for care in publishing information on the case. It appealed to American mass media to exercise "caution and self restraint" until verified information is obtained and to avoid rashness in making judgments on mere suspicion. [passage omitted]

There is not much information available on Muhammad Salamah, who is the focus of current investigations, except that he in his mid-20's, Jordan-born, and has been living in New Jersey since he came to the United States five years ago.

Sources close to investigators said they believe the explosion might be linked with the second anniversary of the Gulf war and the Iraqi withdrawal from Kuwait. They believe it is likely that Muhammad Salamah might be an agent for other terrorist groups in the Middle East.

The sources noted that investigators launched broad search campaigns in New York in the past few hours. The search took in the places of residence of people of Arab origin. Of these, the sources mentioned a flat in Brooklyn occupied by Ibrahim al-Jabaruni, brother of Egyptian-born Sayyid Nusayr. Nusayr was accused of assassinating extremist Zionist leader Me'ir Kahana in 1990. Al-Jabaruni was arrested yesterday on charges of obstructing justice because he assaulted a security officer during the search.

## Regional Affairs

### Iran Attempts To Co-Opt Shiites in Mansurah

93AF0348C Cairo ROSE AL-YUSUF in Arabic 7 Dec 92  
pp 23-25

[Article by Wa'il al-Abrashi: "Secret Organization Led by Physician; Another Led by Palestinian"]

[Text] There were three Iranians walking in the streets of Aja, al-Mansurah. They attracted attention because of their thick beards and distinctive attire. One of them was wearing a turban and a black Muslim dress. They were stopping people in the streets and asking them, in broken Arabic with a Persian accent, about a small village that they believed to be the burial place of the head of Muhammad Bin-'Abu-Bakr al-Sidiq, one of the great Shiites. They asked the people to cooperate with them to find the lost head, which is

buried somewhere. They promised to return the following day. When they returned, they were deported from the small village and from Egypt back to their country.

This event, which took place a few weeks ago, is not the first. Some of the people in al-Mansurah have confirmed that many Iranians have come to ask about and look for the lost head. Some of them have offered money to the residents in return for their cooperation.

After this incident, Iran requested from Egypt, during talks to resume relations, to send religious missions to search for some monuments and hidden tombs of some of the Shiite dignitaries, the most important of whom is Muhammad Bin-Abu-Bakr, as reported by some historical and religious books.

The request was denied. The official explanation of the denial was that such a request would revive sectarian disputes and arouse sentiments that do not exist in Egypt and that it would inevitably lead to divisions among the Muslims. The report accompanying the denial added that the Islamic monuments and mosques in Egypt are afforded interest without indication of the fact that they may belong to a certain sect.

The factual explanation for the denial, as understood by the official authorities in Egypt, is that the Iranian request is a plan to export the revolution and transfer their destructive ideas to shake security and stability in Egypt by contacting extremist groups and following methods of deceit under the pretext of looking for Shiite monuments. They would be able to move freely in Egypt in such a way that would enable them to achieve their objectives.

The Iranians are also interested in the tomb of Malik al-Ashtar, who was poisoned in Egypt. His tomb is located in al-Qalg.

Al-Mansurah could be the most famous Egyptian city for the Iranians. Many books by Iranian clergy state that the head of Muhammad Bin-Abu-Bakr is buried in one of the villages to which he escaped the forces of 'Amr Bin-al-'As, but the forces captured him and burned him inside the hide of a donkey. They quote al-Maqrizi, who wrote: "During excavation in al-Mansurah, a human head was found and proved to be that of Muhammad Bin-Abu-Bakr."

Although there are two tombs in Cairo that are believed to be that of Muhammad Bin-Abu-Bakr, the Iranians deny it.

In Mit Damsis village, there is a tomb of Muhammad Bin-Abu-Bakr. A rock with the name Muhammad Bin-Abu-Bakr was found in the village during excavation in front of the famous Mary Girgis Church. The Shiites say that good smelling air flows out of a hole in the rock.

The Iranians want to find the rock and examine it and make sure that the head of Muhammad Bin-Abu-Bakr is buried beneath it.

The irony is that the Iranians predict that al-Mansurah will become a pure Shiite city again. In their books, they say that it is guarded by God because the head of Muhammad Bin-Abu-Bakr is there. What is more interesting is that they claim that al-Mansurah was able to confront the Crusade campaign, defeat it, and capture its leader, Louis IX, because it is the burial place of the head of Muhammad Bin-Abu-Bakr—even though the leaders of the Egyptian

armies that confronted the Crusaders were from the Ayubite Dynasty, who were hated by the Shiites because they claim that the Ayubites caused the end of the Fatimid Shiite Dynasty in Egypt.

Strangely, some of the Egyptian Shiites believed these claims. One of them published a cassette tape within the framework of the "cassette war" between the Shiites and the Salafis. The tape claims that the Ayubites could not have defeated anybody and that their queen, Shajarat al-Dur, was a loose woman who could not have led any army to victory.

According to the Shiites, the victory was due to the blessings of the heads and skulls of the Egyptian Shiites who were buried in Egypt after being murdered by Salah al-Din al-Ayubi, and also the great Shiite leaders who fled the forces of 'Amr Bin-al-'As. Since most of the streets, circles, and schools in al-Mansurah are named after the kings of the Ayubite Dynasty, there were very amusing incidents in al-Mansurah relating to the removal of the metal plates of the names of the streets in al-Mansurah or their being vandalized. These activities were carried out by some of the Egyptian Shiites who believe that the city will be cursed because of these names.

Al-Mansurah has a considerable number of Egyptian Shiites. Most of them are concentrated in the village of Mit Sinqar. Their leader is a physician named Mahmud Dahrug, who was accused in the case that involved the second Shiite organization and who later fled to Libya.

Most of the Shiites in al-Mansurah have visited Iran. According to their methods, they imitate Ayatollah Khomeini and criticize others who imitate the Shiite imam, who recently died. They accuse them of being passive and traditional to such an extent that they are very close to the Sufis.

The confrontations between the Shiites and the Salafis in al-Mansurah have become very heated as of late, to the extent that they have included hitting with chains. There are very heated battles during mosque sermons. Most recently there is the "cassette war." The Shiites promote the members of their sects and raise the very old issues of the Islamic Caliphs. They claim that Ma'awiya was not even a Muslim. They criticize Abu-Bakr and 'Umar and insult Salah al-Din al-Ayubi. They issue their cassettes under the title of *The Method of the Prophet's House*. They now have about 11 tapes. The Salafis issue their own tapes, which warn against the Shiite's line of thinking. The war is still raging in public and in private.

Before al-Mansurah, Zagazig had the first organization that raised the slogans and the pictures of Imam Khomeini immediately after the Iranian revolution in the late 1970's. The Shiites had their organization, the Vanguard, which was led by a Palestinian student called Fathi 'Abd-al-'Aziz, who had a very strange and suspicious relationship with Iran. The story goes as follows:

At the time of the Iranian Revolution, Zagazig University had the largest concentration of Arabs studying in Egypt. Iranian intelligence realized this fact and recruited Palestinian student Fathi 'Abd-al-'Aziz and paid him huge amounts of money to recruit more students. He managed to recruit Palestinian students by taking advantage of their financial needs. He was very clever in his method of

recruitment. He used paid their tuition and rented furnished apartments for them to live in.

He also wrote the first book that was issued in Egypt about the Iranian Revolution under the title *Khomeyni...the Alternative*. This book was considered to be an instigator of revolution against the Egyptian Government. The organization included both Salafi and Shiite members. They distributed pamphlets and demonstrated at the university. They exported their ideas to other universities, where they raised slogans and even pictures of Imam Khomeyni.

The security authorities arrested some members of this organization in September 1980. The Arab and Palestinian students were deported, while Fathi 'Abd-al-'Aziz crossed the borders and fled to Gaza.

The organization continued its limited activities in secret. The rest of its members were arrested in 1987 and were charged in state security case No. 401/1987. In spite of all of these events, Iran still depended on Fathi 'Abd-al-'Aziz to make contacts with the Shiite elements in Zagazig who were members of the organization.

There is information that indicates that he appeared once more in Sudan, where he had fled from Libya after relations improved between Egypt and Libya. From Sudan, he continued his contacts with the Vanguard and also with the Jihad group, with whom he has very good contacts. He is a member of Ahmad Jibril's group, which has very close contacts with Iran.

Recently he wrote another book, which is titled *Khomeyni...The Only Solution*. A single copy of this book was smuggled to Egypt and kept in Zagazig, which has a number of Shiite bookstores. The book is typewritten. A part of the book reads as follows: "Khomeyni tried to get close to the Sunnis in his last days to become accepted by all Muslims." In another part of the book it says, "Khomeyni refused the revolutionary path and managed to reach an Islamic formula that balances between the Sunnis and the Shiites, between nationalism and Islam. This formula could be accepted by all Muslims and thus could be exported to the neighboring countries. At the end of his book, or rather at the end of his pamphlet, he says: "The solution proposed by Khomeyni is the only viable one."

After his second book, Fathi 'Abd-al-'Aziz appeared once more. Some pamphlets were distributed at Zagazig University at the same time as the attacks on the tourists. The pamphlets said: "Iranian religious tourism is better than the religiously forbidden foreign tourism. Religious tourism will solve Egypt's economic problems." Other pamphlets were distributed on secular and spiritual tourism.

The Salafis, who live in al-'Ishara region in Zagazig—a well-known Shiite area, are in constant dispute with the Shiites. They claim that the Vanguard's pamphlets have appeared once more and are written in the same style of Fathi 'Abd-al-'Aziz.

In addition to the Iranian activities in al-Mansurah and Zagazig, Iran is in the habit of inviting Egyptian Shiite youths to conferences, seminars, and celebrations held in Iran. These affairs are known to have political objectives. It is very surprising that the Egyptian youths attend such meetings, especially because they have no role to play at them except that they are Shiites.

Recently Iran invited 25 Egyptian Shiite youths to attend a solidarity conference with the Palestinian people.

One of the most surprising events was when Iran demanded the reestablishment of the "Prophet's House Society," which is an Egyptian Shiite organization. It was dissolved in 1979 due to its promotion of Shiites ideology in such a way that it constituted a danger to the beliefs and unity of society. It includes many Shiite Arabs and Iranian students who provided financial contributions and preach for their sect.

These events highlight Iran's attempts to give rise to the sectarian disputes and to interfere in Egypt's affairs with a view toward shaking its stability and security.

### Internal Affairs

#### Commentary Advises President To Step Down 93AF0406B Cairo AL-SHA'B in Arabic 9 Feb 93 p 12

[Article by Muhammad 'Abd-al-Quddus: "Will Mubarak Do It?"]

[Text] "O Mubarak, we came, we came. We would sacrifice our eyes and our souls for you" and "Mubarak, our president, you are the crown on our heads" are examples of slogans chanted by young people as they met recently with the president. It turned out later that those youths did not come on their own for a frank and open dialogue. Rather, they were handpicked for the "honor" of meeting the president. It was therefore expected of them to chant: "For you we came, O Husni, our beloved!"

I wonder, would we have heard such cheers had we been in a country with real institutions and a valid system based on partisan plurality?

I thought of President Bush, under whose stewardship America became master of the universe and the undisputed leader of the world. Yet, he was removed by the American people in free elections and was replaced by a young president. All of the advanced countries of the world freely select their leaders, but we remain governed by the mentality of "We sacrifice our souls and our eyes for you, O president."

I wrote two weeks ago that I dream of a young president who would lead us into the future—a president who would assume power after winning a close race with other candidates for the same position of "president of the Republic." When that happens, my country will have finally broken away from authoritarian rule, will have taken a step on the road to progress, and will have entered the 21st century guided by a new and progressive mentality.

It is my hope that President Mubarak will help our country take its first step on the road to progress, advancement, and civilization.

We cannot remain prisoners of authoritarian rule and of slogans such as "Our president, you are the crown on our heads". Unfortunately, we have been governed by such a mentality since the reign of Minah, our first pharaoh. A president for life with near absolute powers! I believe it is time for change because the whole world is changing.

Will President Mubarak do it? Will he announce that he will not nominate himself for a third presidential term, content that he has ruled Egypt for 12 years? By doing so, he would set an example for altruism and would establish a new tradition based on the transition of power as a fundamental precept of democracy.

If President Mubarak took that step, he would enter the history of immortality through its widest portal—the first ruler in Egyptian history to step down of his own volition while he is at the peak of his power.

I have hopes, but I am also a pragmatist and can see that such a step would encounter many difficulties. But this is subject matter for a separate article. Until next week then, God willing!

#### Sheikh 'Umar's Life Outlined

93AF0434A Paris LE MONDE in French 8 Mar 93 p 5

[Article by correspondent in Cairo, Alexandre Buccianti: "Sheikh 'Umar Wants To Institute an Islamic Republic in Egypt"]

[Text] A historical figure of Egyptian Muslim extremism, Sheikh 'Umar Rahman—although blind and in poor health, which makes him look older than his 54 years—dreams of becoming the Khomeyni of the Nile Valley. Sheikh 'Umar who has been liberally dispensing his teaching at the Al Salam (Peace) mosque in Jersey City, New Jersey, fancies himself returning from exile the way Ayatollah Khomeyni returned from Neauphle-le-Chateau. Only a few days ago, he told a Western press agency that everything was ready for setting up an Islamic republic in Egypt, and he asked the United States to support him instead of helping President Mubarak remain in power.

Blind by the age of 10 months, this son of a poor family from the Dakahleya province, in the Delta, had no other choice but Islamic studies, which rely on learning by rote. Immediately after completing his studies at the Cairo theological faculty, in 1965, Sheikh 'Umar, who since then has earned a doctorate, launched out into Islamic activism. Appointed imam of Fiddim, in the El Faiyum oasis (110 km southwest of Cairo), he turned this village, one-third of whose population was Christian, into one of the first Islamic fiefs in Egypt. In 1967, he began to preach in one of the mosques of the El Faiyum capital and kept denouncing "Pharaoh." Everybody recognized this "pharaoh" as former Egyptian president Gamal Abdel Nasser.

Shortly before the latter's death, in September 1970, Sheikh 'Umar, who had become famous throughout El Faiyum, was arrested. As soon as he was released, he declared that one should not pray for Nasser's soul to rest in peace, because he had been hostile to Islam. This earned the sheikh eight months in jail and a transfer to El Minya in Upper Egypt (300 km south of Cairo). In 1973, he was appointed professor at the Asyut theological faculty (400 km south of Cairo) where he intensified his incendiary preaching.

Asyut having become the largest Islamic fief in Egypt, President al-Sadat started to use harsh measures. Rather than submit to repression, Sheikh 'Umar, who by then had become a key figure of Muslim Islamism, went to Saudi Arabia where he taught for three years at the Riyadh theological faculty. Back in Egypt in 1980, he became the "emir"



(the prince) of the extremist Muslim organization Jihad. In September 1981, Jihad members assassinated President al-Sadat and some 100 policemen in Asyut. The Jihad "emir" was arrested and became the number-one defendant in the trial of the Rais's assassins. But Sheikh 'Umar was released in October 1984 for "lack of evidence." Having become the charismatic leader of small extremist groups, he intensified his denunciation of the Mubarak regime and got himself arrested again in July 1985 in El Faiyum. He was arrested again in May 1986 and in April 1989. After his release, he was invited for an interview with the interior minister, General Abdel Halim Mussa. Soon afterward, a small Muslim extremist group in El Faiyum having put a price on his head, Sheikh 'Umar left Egypt to perform the 'umra (short pilgrimage to Mecca). Saudi authorities turned him back and he went to Sudan.

### Self-Imposed Exile

After staying nearly one year in Khartoum, Sheikh 'Umar obtained a tourist visa for the United States thanks to the intervention of Sheikh Hassan al-Turabi, leader of the Sudanese Islamic Front. This caused the Egyptian left to claim that Sheikh 'Umar was "an American agent" recruited by Washington during the Afghanistan war. Settling in New Jersey, the sheikh married a black American woman and obtained a residence permit.

The Egyptian authorities, who had seemed to ignore him, became angry late in 1992 when, from his New Jersey mosque, Sheikh 'Umar declared his support for the Jamaa Islamiya's attacks against tourists. The interior minister expressed his "surprise" to the U.S. Embassy. A few weeks later, Washington realized that the sheikh was a polygamist and that, therefore, his residence permit was not valid. But the expulsion procedure has yet to be completed.

The Jamaa Islamiya, whose moral authority Sheikh 'Umar Abdel Rahman embodies, has multiplied terrorist threats. After attacks against tourists, this extremist group now threatened—in a fax sent from Peshawar (Pakistan, on the border with Afghanistan)—to take on foreign companies and interests in Egypt.

### Creation of Religious Party Denied

93AF0375B Cairo AL-AKHBAR in Arabic 3 Feb 93 p 6

[Article by Muhammad Hasan al-Banna]

[Text] Yesterday, the Parties Court issued the legal reasons for its decision to reject the establishment of a religious party. The court said that the party violated both the Constitution and the laws. In addition, the party also violated the basic principles of society's political, economic, and social systems. Furthermore, the party program and regulations violated the principles of national unity and social peace. They also violated the principles of equality among all citizens in both rights and duties. In addition, the program and regulations legalized both transgressing the ruler and using force to replace him by illegitimate or unlawful means.

The court that issued the ruling was presided over by Counselor Muhammad Hamid al-Jamal, president of the State Council. The court also comprised some members of

the first round of the High Administrative Court and five public personalities, all of whom constituted the complete Parties Court.

Shaykh Yusuf al-Badri had appealed the committee on political parties' affairs' decision to refuse the establishment of a party by the name of Islamic Awakening.

The court stated in its ruling that the party policy and program would lead to contradictions in rulings and the disturbance of justice and rightfulness. It would also lead to the rise of struggles and clashes among the different classes and sects of society. The ruling added that no single group could claim having knowledge, elucidation, and the correct interpretation of Islam. The court said that, according to the Constitution, Islamic shari'ah (jurisprudence) is the principal source of legislation. This jurisprudence is the legislative power's responsibility. The legislative power is charged with studying the shari'ah and writing it into law. In addition, in Egypt there are institutions that are responsible for this task, such as al-Azhar, the High Council for Islamic Affairs, and the Islamic Research Council. All of these institutions are scientific, national, and patriotic institutions that bear this responsibility before God and all citizens. Therefore, no party should appoint itself the guardian of Islam according to its views and understanding of the principles and sources of Islamic shari'ah. It is the responsibility of all parties to work within the framework of the principles of Islamic shari'ah, the July Revolution, and the 15 May Revolution. All parties should also abide by the principles of national unity, social peace, the socialist democratic system, and the socialist gains.

The court added that the Islamic Awakening Party's program treated citizens differently because of their religious affiliation, which is unconstitutional. Further, the party's program confined public sector jobs to Muslims only and prohibited the drafting of non-Muslims in the Army. It also would allow the Army to be financed by foreign sources (the brethren's money from outside Egypt). In addition, the party's program seeks to abolish taxes and impose a head tax on non-Muslims. The party would also install the grand imam as president for life. Meanwhile, the party would allow using force to change the president. All of these matters violate society's principles and values and interfere in non-Muslims right to be affiliated with the nation. These matters would also prevent non-Muslims from holding public offices, divide the nation, and disturb social peace.

### Political Parties Discuss Terrorism

93AF0375A Cairo AL-AHRAM AL-DUWALI in Arabic 5 Feb 93 p 14

[Text] Undoubtedly, Dr. Fathi Surur's decision to invite leaders of all political parties to discuss the terrorism phenomenon at the People's Assembly is a proper and enlightened decision. This is because the terrorism phenomenon impacts the whole nation and threatens its democratic path. The leaders of all parties unanimously denounced terrorism and said that it was imperative to face it with strength and force and to uproot it in order to protect society from its evils. They also demanded the need for consolidating democracy and granting parties more political freedom to allow them to contribute to all national affairs, to voice their views by way of the media, to solve the citizens' problems, and to provide citizens with necessary services. In addition, the leaders of the parties emphasized the importance of developing the educational system in a way that would make it able to catch up with world scientific

and technological developments. Meanwhile, they demanded that religious education be stressed at all levels of education. Moreover, they demanded that Islamic culture be a principal course in college education in order to make youths aware of the proper Islamic philosophy. They also demanded an end to the unemployment problem by providing job opportunities for every university graduate. Furthermore, they stated the need to encourage youths to own and cultivate desert land and demanded that the state provide all of the assistance that would enable these youths to continue with their cultivation projects so that there would be a real contribution to the increase of the national income and the provision of food for the people.

Each party representative expressed his party's view about this topic. The views of all of the parties were almost complementary and supportive of each other. What remains to be done is for each party, within the democratic process that we are living through, to play its realistic role to put an end to this phenomenon and to support the state and all of the state institutions in getting rid of this shame. When we review the views declared by the party leaders, we observe that the National Party views supporting development and rejecting terrorism as the responsibility of every Egyptian. The National Party thinks that action could be performed either through parties or social institutions, especially the gracious al-Azhar. Al-Azhar would be able to undertake its historic role of preserving the true face of Islam, which would be free of fanaticism and extremism. Furthermore, a suitable atmosphere for educational reform and the raising of youth according to right Islamic values would represent goals that could be accomplished.

The Liberal Party asserted that the confrontation of terrorism implies that each party undertakes a bigger role in working with citizens and working with youths to solve their

problems and to help them find suitable job opportunities. The party also advocated standing besides youth to protect them from bureaucratic complexities. It also advocated spreading political awareness among university youths in order to protect these youths from terrorist brainwashing and false ideology.

The Nasirist Democratic Party considers terrorism as having a socioeconomic basis. This necessitates narrowing the gap between the rich and the poor, limiting the demonstration of wealth—which provokes the poor, solving the services problem in the poor districts and villages, and paying attention to the political education of youths.

The Coalition Party said that economic reform and its success is an important principle for combating terrorism.

The Labor Party emphasized its rejection of all aspects of terrorism because Islam is a religion of love and tolerance and changing the abominable is the ruler's duty and not the ordinary citizen's responsibility. It stressed the fact that it is the government's responsibility to solve the problems of the poor because poverty is a means for the spread of terrorist thought. Al-Ummah Party declared that resisting terrorism was a sacred issue. The Green Party said that there were hidden forces behind the spread of terrorism in the Islamic states. The Egypt Arab Socialist Party indicated that there were social reasons for the emergence of terrorist thought and that undoubtedly there was an international directive to hit Muslims all around the world.

The People's Assembly established a committee that is led by Deputy al-Sayyid Rashid. This committee opened the door for an in-depth discussion of the terrorism issue and how to confront it. Undoubtedly, this committee will prepare an important and potentially dangerous report that will be presented to the Assembly in its coming sessions.

### Musa Sees European Unity as Economic Threat

93AF0350B Cairo AL-WAFD in Arabic 7 Dec 92 p 8

[Article by 'Ali Khamis: "A Million of Egyptian Workers in Europe May Lose Jobs Because of Maastricht Treaty"]

[Text] Egyptian Foreign Minister 'Amr Musa said that there were strong trends in Europe against Egyptians and other foreigners. He also mentioned that Maastricht Treaty poses many challenges to both the developed and the developing countries. He affirmed that enforcing the treaty next year would result in dispensing with foreign labor in the European countries. He also explained that the European governments are resisting the trend of the extremist groups that are hostile to Egyptian, Arab, and other foreign workers in their countries.

He stressed the need for the relevant Egyptian ministries and agencies to act in the coming stage to confront and accommodate the sudden return of the Egyptian labor from the some European countries. He mentioned that the crisis is not yet out of hand and that the Foreign Ministry, and the Egyptian embassies are making great efforts to maintain the gains and positions of the Egyptian labor in the European community. Al-Namaki, member of the People's Assembly has warned against a sudden return of a million Egyptian laborers who are working in Europe.

In a statement before the joint meeting of the People's Assembly committees on foreign relations, Arab affairs, and national security, Musa mentioned that Egypt is trying to secure a permanent seat on the United Nations Security Council as one of the regional powers expected to be included in the new structure of the Security Council. He dismissed the idea that the Security Council would be restructured before the 50th anniversary of the United Nations, which will take place three years from now. He stressed that both Japan and Germany are knocking down the doors of the Security Council.

The foreign minister posed many questions about Iran's importation and stockpiling of modern weapons. He warned against over-arming and the lack of balance in the Middle East. He called upon the Iranian foreign minister to initiate a dialogue with Egypt and the Arab countries instead of the confrontation. He affirmed that provocation and methods of overwhelming and exporting terrorism would generate a reaction by the Arab countries. He added that dialogue is important and required with the neighboring countries, but we will not retreat in the face of Iran's insistence on exporting domination or reviving the empires. He also called upon Sudan to safeguard Arab national security and to be cautious about anything that might threaten Egypt and its security.

Musa explained that the stability of the Gulf area is vital, saying: "If the Arab world and the Middle East are to be stabilized, then the stability of the Gulf has to be taken into account." He stressed the importance of mobilizing all of the state's agencies to confront the expected reduction of American aid to Egypt under the new American administration. He suggested increasing Egyptian production and not looking for other donor countries.

Musa suggested the possibility of convening an emergency Islamic Summit to discuss the developments in Bosnia-Herzegovina in case the efforts of the Security Council fail.

He called for confronting the aggressions perpetrated by the Serbs living in Bosnia, who represent about 20 percent of population of Bosnia-Herzegovina. He mentioned that there is a movement within the United Nations to turn the Republic of Bosnia-Herzegovina into seven to 10 units, each with a mixture of Muslims, Croats and Serbs, instead of dividing it into three states based on religion and ethnicity. He warned against other crises in Europe, especially in the Balkans because of the policies of ethnic cleansing that the Serbs are following.

Commenting on the request of People's Assembly deputy Muhammad al-Badarshini to revive the Iraqi military power to confront the Iranian expansionism and to maintain Arab national security, the foreign minister affirmed that Iraq is an important Arab country and has to be part of the Arab political and security system. He added that there are huge reservations about and bitterness against the Iraqi regime. He also mentioned that Iraq is participating in the Arab League's supervised study on the Arab national security and the means to develop it to keep pace with the current developments.

Musa affirmed that there is no water crisis between Egypt, Ethiopia, and Sudan, and he pointed to the improvement in Egyptian-Ethiopian relations. He described the Damascus Declaration as incapable of playing its role in establishing a new Arab order due to divisions in the Arab world. He also denied any casualties in the Egyptian forces in Bosnia-Herzegovina, saying that there were only minor incidents.

### Increased Interior Ministry Funding Sought

9AF0348B Cairo AL-WAFD in Arabic 20 Dec 92 p 2

[Article by Jamal Yunis: "People's Assembly Demands More Financial Appropriation for Interior Ministry"]

[Text] The People's Assembly Committee on Defense and National Security demanded that more funding be allocated to the Interior Ministry to buy telecommunications equipment valued at 5 million pounds to replace the police and central security radio network. It also asked for a 5-million-pound increase for the ministry buildings and for the resumption of the replacement process of the prisons that are about to collapse. A decision was made to demolish these prisons because they were deemed dangerous to the lives of the inmates and employees. The committee decided to exempt the Interior Ministry from the ban on the purchase of new cars.

The Economic Affairs Committee requested 22 million pounds to be earmarked to the General Institution for Food Supplies due to a 50 percent increase in the transportation costs, according to a decision by Minister of Transportation Sulayman Mutawalli. The government approved the allocation of 8 million pounds, which is 14 million pounds less than the required amount.

The Committee on Tourism, Culture, and Media requested more funding for the tourist mail and media publications by the general information service and the media offices and embassies.



**Petroleum Minister Discusses Competitive Approach**  
*93AF0406A Cairo AL-MUSAWWAR in Arabic 12 Feb 93  
pp 21-23*

[Interview with Egyptian Minister of Petroleum Dr. Hamdi al-Banbi by Ghali Muhammad; place and date not given]

[Text] Even Egypt's petroleum is not free from competition. There is now a worldwide auction that continually adds facilities to petroleum companies. What we are going to do about this new reality?

AL-MUSAWWAR interviewed Dr. Hamdi al-Banbi, minister of petroleum and mineral resources, and asked him what he plans to do to avoid the negative impact of developments in the petroleum investment market—developments that are a fact of life and must be dealt with.

Al-Banbi was forthright and frankly discussed Egypt's oil policy in what he described as a fierce battle. We questioned the minister about Egypt's current reserves and the state of the butagas market as the month of Ramadan approaches.

[Muhammad] Has Egypt recently felt competition in the petroleum investment market?

[Al-Banbi] We are made well aware of competition by the terms of the bids we receive and the number of bidders. Some concessions offered for bid drew no response at all, so we extended the deadline and added other concessions. We hope to rectify this by reacting quickly, which we are currently doing.

[Muhammad] How sizable is this competition? What impact does it have?

[Al-Banbi] Let me begin by saying that correct and accurate data on the oil investment market would help us resolve the problem.

Very simply stated, the worldwide search for petroleum is encountering the following problems:

- First, the oil companies' return on investment has dwindled over the past few years to a point below the return on other investments. The reason is that there is no movement in oil prices, which have remain stationary, while expenditures on equipment for exploration, drilling, development, and production keep rising. Consequently, most firms operating in this field have decided to cut expenditures on oil exploration. This is the primary worldwide factor, and it is beyond our control.
- Second, countries in the Commonwealth of Independent States and Eastern Europe, among others, have flung their doors wide open, thereby intensifying competition for the dollar amount set aside for exploration. As a result, [investment] dollars now pick and choose their destination.
- Third, the Commonwealth and Eastern European countries have unstated oil reserves and are almost free of risk. The exploration dollar therefore heads for easy regions that guarantee it a fast return. This is counterbalanced by the fact that these countries are not yet stable. The risk to capital repatriation is present, but there is no exploration risk. These two factors balance each other.

**Oil Investments**

[Muhammad] What do oil investment markets currently offer?

[Al-Banbi] The areas open for oil exploration throughout the world are numerous, and competition is very keen. It used to be that several companies would bid for the same concession, but this is no longer true. A concession made available for exploration now draws only one company, if any at all.

[Muhammad] Where are these concessions?

[Al-Banbi] All of the countries in the world, including Egypt, offer concessions for which companies bid without competition. Actually, the reverse is true, in that competition now centers on attracting petroleum investments.

Another factor that plays a role in oil investment markets is global concern for environmental issues. Some international companies fear that new and more restrictive regulations may be issued in the future. A country may promulgate legislation that will make it more difficult for oil companies to explore. This may discourage investors from buying oil company shares, especially because it takes a long time to recoup capital spent for exploration. All of this translates into fewer search and exploration opportunities.

[Muhammad] What is Egypt's oil policy in the face of such competition?

[Al-Banbi] In view of such competition, we must always have concessions available on world markets in order not to be forgotten. The second point is that we must always try to promote the climate of stability that Egypt enjoys, which makes foreign investment viable. Furthermore, Egypt enjoys a strong banking system and a very strong scientific base in the field of petroleum. Labor is therefore available at cheaper cost than elsewhere.

In addition, Egypt is a hospitable country where experts can enjoy all of the facilities and institutions they need for a better quality of life with their families.

[Muhammad] Do such factors influence decision-making?

[Al-Banbi] All of these factors affect the bids because decisions are ultimately made by individuals. Nonmaterial factors have psychological value. A foreign expert evaluating two concessions of equal merit would opt for the one that offers his family better living conditions. Egypt has that advantage.

**Three Avenues**

[Muhammad] What will your course of action be?

[Al-Banbi] We will focus on three courses of action.

First, we seek to hold onto companies that have operations in Egypt. We will do this by revising agreement implementation systems. An incentive we currently offer is that companies that make minor discoveries are encouraged to engage in a development program through existing facilities. This reduces the amount of capital the foreign partner has to put up. Minor discoveries would not be commercially feasible without such facilities. The facilities we offer serve

not only the interests of the foreign partner, but our own interests, as well, because the fewer the investments, the less costs recouped. For every share of profit our foreign partner receives, we gain a larger share.

The second course of action is to make our foreign partners feel that our relations with them are based on mutual interest and not on hostile exploitation.

The third course of action is to individually examine each company's requirements. Companies have different economic requirements and come from countries with disparate social backgrounds. Circumstances are not always similar, and those companies are not supposed to adapt their cultures to our own circumstances. We are the ones who are supposed to change in order to provide them with whatever they want. We use computer programs to take all factors into consideration and analyze them in order to gauge the requirements of each company.

Whether we accept or reject a bid rests with such analysis. In no way do we mandate a certain element. Rather, I accept their requirements and translate them in my own way and through my own research into something that will serve our interests. For instance, certain companies require us to agree to a grace period during which they may conduct feasibility studies and determine whether or not they want to commit to their [exploration] agreement with us and whether or not they want to remain in the country. This is one way for them to spend less money and get the data they need. We look at this as part and parcel of concession agreements. Other companies require a higher percentage for cost recovery and are happy with their allotted oil share. Still other companies require a longer development period than companies that may require shorter development periods but faster cost recuperation.

All of these are part of the computer model and are factors that enter into the final determination. We allow companies freedom.

[Muhammad] Can you give us a living example?

[Al-Banbi] At the moment, companies that make gas discoveries ask that their agreements be amended to link gas prices to something other than mazout [fuel oil] of medium sulphur content. The latter is losing favor because of environmental laws, and its prices are bound to collapse. We have been responsive to company requests in this regard.

Some companies request amalgamation of their concessions. Agreements specify the ratio of cost recuperation from each concession. Foreign companies, in order to realize cost savings, sometimes request the amalgamation of concessions from one agreement to another. We usually scrutinize those requests and grant them if they are feasible and if they do us no harm, provided that the relevant agreements are themselves amalgamated into a single agreement that will give the foreign partners the flexibility to benefit materially by carrying investment costs over from one concession to another at the same time that material benefits accrue to us, as well. We would be amenable under such circumstances.

[Muhammad] Why would a foreign partner request the amalgamation of concessions?

[Al-Banbi] If the partner determines that one concession has a larger potential than another, and instead of spending most of its funds on the latter and wasting them, amalgamating the two concessions is in its interest and also will increase the potential for discovery.

[Muhammad] Are there specific examples to illustrate this? What is the purpose of amalgamating international oil company agreements?

[Al-Banbi] As far as the international company is concerned, those [unamalgamated agreements] are a number of development agreements that expire on varying dates, cause it problems with the repatriation of capital, and create some laxity in exploring certain concessions. We unify such agreements so that they all may have the same expiration date, and we even improve their terms. We will even add a new agreement with the same advantageous terms that have been negotiated already. We pursue such a flexible course to hold onto those companies and preserve the joint ventures and their skilled workers in order to guarantee stability and continuity of operations. This is in addition to the fact that the joint ventures may undertake other operations in the service of foreign partners.

In the spirit of flexibility, we additionally accede to, and even encourage, the amalgamation of research exploration agreements after technical and feasibility studies are completed. We then accept terms that we find to be in the interest of the country. Such flexibility differentiates Egypt from other countries that are inflexible or whose validity is yet to be tested. Egypt's validity has been proven over the past 40 years.

We do not stop there. We invite the heads of major companies to visit Egypt, especially the heads of companies that have not been successful here for one reason or another but whose managements have changed. We invite them to examine our potential, and their senior managers welcome such invitations.

### Responsiveness

[Muhammad] Has there been responsiveness to the factors you mentioned?

[Al-Banbi] Yes, there has been responsiveness. For instance, Mobil Oil has agreed to return to Egypt, and we are about to enter into agreement with it. We give it our full support.

[Muhammad] How about activities abroad?

[Al-Banbi] We dispatch marketing delegations abroad and hold conferences in London, Houston, and Canada for companies that have no representation in Egypt in order to acquaint them with the amendments we could introduce to oil agreements. We do all of this because competition is keen, but we are prepared for it.

[Muhammad] Can you raise the ratio of profit or cost recuperation, as competing countries do?

[Al-Banbi] Yes, it is possible to raise those ratios, but I must emphasize that the facilities we offer will be the absolute minimum that will induce the foreign company to come to us. That absolute minimum will be limited to things meaningful to the foreign company. We will not offer any facilities that would cause us to lose advantage—we will offer only those facilities that will attract foreign companies.

[Muhammad] It may be said that such a policy sells Egypt out and squanders its petroleum.

[Al-Banbi] We did not sell out; we are serving its interests. We will lose a lot if we do not do this now in order to boost our reserves. If the countries we mentioned become stable and open their doors, which will happen eventually, then companies will be attracted to them en masse. If we wait until then to open up, none of those companies will come our way.

Should we waste this opportunity, countries that offer less risk and more reserves along with validity and stability will get the lion's share.

#### Flexible Policies

[Muhammad] If we respond now with facilities to those companies, then world markets change more in favor of [host] countries and less in favor of international companies—wouldn't Egypt be the loser then?

[Al-Banbi] Petroleum agreements are dynamic and have terms of seven to eight years. Twenty-five percent of the land is ceded back during the first three years, and another 25 percent is ceded back during the second three-year period. Concessions are abandoned when their agreements expire. If we ask whether world conditions will change in our favor in the next three years, the answer would be no. We must therefore pursue our current course of flexibility in order to induce companies to search and explore.

Should world conditions change in favor of countries and become less favorable to companies after three years, then we will have, by that time, regained one-fourth of the concession area to be let out under improved conditions. If it takes six years for conditions to improve in our favor, we will have regained half the land. By the time agreements expire, we will have gained back all of the land, which will be let out again under better conditions, and we will also have gained any discovered reserves. All of this means that the risks are known and calculated because the agreements are dynamic. It should be noted that the area covered by development contracts does not exceed 1 percent of Egypt's explorable area of some 850,000 square km, of which 150,000 square km are composed of unexplorable volcanic rock. Therefore, 99 percent of the explorable area is dynamic, and concessions are culled from it or added to it. It is preferable, therefore, to respond to the dictates of the times at this critical stage in order to accrue validity and discover additional petroleum reserves to meet increased demand and to boost our oil exports in order to transcend the economic crisis. That is why I neither fear nor hesitate to pursue my existing flexible policies.

[Muhammad] Isn't it possible that companies operating in Egypt under older agreements will ask to renegotiate new ones with better terms?

[Al-Banbi] Older agreements currently in force are of two types. Agreements where reserves have been discovered and are now in development cannot be reviewed before their expiration date because relevant expenditures have already been disbursed and other factors are governed by prior terms.

Agreements where oil has been discovered but is not yet in the development stage—in other words, the matter is in the

hands of foreign companies whose current circumstances do not allow them to make expenditure on development—I am ready to negotiate with them and go to the People's Assembly to change the terms of their agreements because they would leave Egypt if I am not responsive to them.

#### The People's Assembly

[Muhammad] You do not foresee any opposition?

[Al-Banbi] I do not foresee opposition, because we explain these matters fully to the People's Assembly and to its Industry and Energy Committee. They are quite aware of the circumstances, and those who object must bear the responsibility for their stance.

[Muhammad] Are there new agreements, based on the new terms, due for presentation to the People's Assembly?

[Al-Banbi] Yes. The natural gas pricing agreement will be submitted to the People's Assembly soon. The agreement calls for pricing natural gas on the basis of crude oil prices rather than the price of mazout of medium sulphur content. This flexibility does not harm us in any way, and we are comfortable with it.

[Muhammad] Will foreign partners get a bigger share?

[Al-Banbi] No, their share remains the same. This can be explained only if we understand how gas agreements have evolved. We said that gas pricing is linked to the price of mazout of medium sulphur content—that was profitable in the beginning—but mazout prices have declined over time. If this trend continues, the [foreign partner] will not be able to recoup the funds that it would have recouped but for environmental considerations. Linking pricing to crude oil prices would allow the foreign partner to profit and recoup his money, something he would be unable to do under the terms of the original agreement. The amendment is [simply] a change of course and of the standard of measurement.

[Muhammad] Is it necessary to amend the framework of petroleum agreements in Egypt?

[Al-Banbi] We are changing the figures only because we do not need to amend agreement frameworks. Foreign companies attest to the viability of our agreements.

[Muhammad] What is the size of recent discoveries?

[Al-Banbi] Most discoveries have been of large gas reserves. The Shell Company discovered considerable gas reserves in the al-Abyad region, which behooves us to expedite the business of gas pricing linked to crude oil rather than to mazout of medium sulphur content. Without that, no development will take place. The al-Abyad project could conceivably require investments of up to \$750 million.

The second major discovery, also of gas, is in the Mediterranean, off Port Fu'ad. This is another reason to expedite the gas pricing amendment, because the [gas] field lies in difficult waters and will require huge expenditures. It will not be developed until gas pricing is adjusted.

A third gas discovery in the northern Delta will also require considerable investment.

[Muhammad] Then, all of our major discoveries are of gas?

[Al-Banbi] We would of course like to discover both oil and gas in order to export the former and use the latter to supply

domestic demand, but this is a matter of luck. We do have both oil and gas discoveries in the Western Desert, however.

[Muhammad] Have Egyptian reserves grown above 6 billion barrels?

[Al-Banbi] Recent discoveries have indeed pushed Egyptian reserves above 6 billion barrels, and we will announce this shortly after we complete our studies. Production will continue at current rates.

We have available 13 concessions, in addition to the ones being negotiated. A determination will be made 1 April on the first group and 30 June on the second.

### Butagas and Ramadan

[Muhammad] It is noted that there was no butagas [bottled gas] shortage this winter. Will supply be increased with the advent of the month of Ramadan in order to ward off shortages?

[Al-Banbi] We devised a plan last year in order to deal with this problem once and for all. The plan proved successful, and shortages did not recur this winter because we supplied private sector distribution centers and resolved difficult problems. We completed a pipeline to carry gas from Ra's Shukhayr to the bottling plant at al-Kutamiyah. That eased the bottlenecks that occurred when the gas was transported by truck. The quantity of charged bottles consequently increased at al-Kutamiyah and at other bottling plants in the provinces. We increased bottle storage capacities and imported 400,000 blank bottles to supplement the output of military factories. The end result has been a large surplus of bottles, which are now easily traded and sold directly to the public. Residential hook-ups to natural gas also greatly eased the demand for gas bottles.

Figures indicate that butagas sales amounted to 477,000 tons in the July-December period of 1992. This is a 12 percent increase from 426,000 tons during the same period in 1991 and translates into 38.2 million bottles [for the second half of 1992], compared with 34.21 million bottles in the same period of the previous year.

Fifty-one new distribution centers were opened in the various governorates during that same period, which boosted the total number of such centers by 10.6 percent, to 533 from 482 as of 30 June 1992. The number of bottles sold for residential consumption during that period rose by 26 percent, to 184,500, from 146,600 bottles in 1991. The number of bottles sold for commercial use during the same period was calculated at 2,800, up from 890 bottles a year earlier, for an increase of 215 percent.

[Muhammad] Do we import butagas?

[Al-Banbi] Our production is sufficient for domestic consumption, but we will import [additional supplies] if demand escalates for any reason in order to ward off shortages during Ramadan or at any other time.

[Muhammad] Did economic reform policies succeed in rationalizing the consumption of petroleum products?

[Al-Banbi] They have indeed been fruitful, and the consumption [of petroleum products] has been rationalized,

with the exception of butagas because it is cheap and because natural gas [is suitable] for both residential and commercial applications.

### Housing Minister Denies Financial Waste

93AF0412A Cairo UKTUBAR in Arabic

31 Jan 93 pp 17-19

[Interview with Hasaballah Muhammad al-Kafrawi, minister of Housing, Utilities, and New Urban Communities, by Isma'il Muntasir; place and date not given: "After Being Questioned by People's Assembly, Minister al-Kafrawi Is Questioned by UKTUBAR"]

[Text] The query submitted by Muhammad al-Sandayuni, an independent People's Assembly member, did certainly carry more than one charge against Minister Hasaballah al-Kafrawi. The minister was accused of wasting public money, keeping silent on corruption, and distributing that which he does not own to those who do not deserve it.

The minister's response was certainly an attempt to acquit himself of charges that he sees as unjust and wrapped in premeditated malice.

Amidst the mutual agitation and clamor that filled the People's Assembly Hall during this query, the truth was lost to the public even though the entire matter was published officially in the Assembly's minutes.

This interview with Minister al-Kafrawi is an attempt to find the truth that got lost in a session that got so hot it almost reached the boiling point.

[Muntasir] You became agitated and uttered a word or two that the session chairman asked to be omitted from the minutes. Why were you agitated, and why didn't you give yourself enough time to prepare your response?

[Kafrawi] Time for what purpose? If I am asked about the sun in the middle of a sunny summer day, as people say, should I request time to answer, or should I tell the questioner to go see an eye doctor?

[Muntasir] But the query contained a number of issues for which the answer required data and figures.

[Kafrawi] There is not a single word to which I did not respond with figures. The minutes are available, and the session was recorded by television.

Some people have said that the minister has spoken in general terms. This is absolutely untrue. I know figures, not rhetoric. However, there is one thing I wish to tell you frankly: There is a big difference between politics and opposition, on one hand, and misunderstanding, miscalculation, and malice, on the other. Call it whatever you wish to call it, but this query can in no case be listed under the article of politics or opposition. I have responded to numerous queries by, for example, Mahmud al-Qadi, 'Alawi Hafiz, and other people I respect. Moreover, I am a member of the People's Assembly, and I understand the task of the Assembly and of its members, which is a serious task. The Assembly is society's conscience, its eye that watches and tasks, and its intellect that legislates. Any honorable patriot is greatly gladdened when the Assembly performs well and saddened when its performance is not up to par. What



happened on the day of this query has been unprecedented from the time I came to know the assembly in 1977 to this day.

#### Documents

[Muntasir] Why? What are the reasons?

[Kafrawi] Because a People's Assembly member wishing to submit a query must, first, understand the issue and must be ready with details supported by evidence and documents. If this member learns the truth, he should be glad and happy with it, because his real task is to pursue and get to the truth. I had dispatched this truth to the querying member, and I thought that he would be glad and happy with it—only to see him hold the letters I had sent him and shout at the top of his lungs: "Here are the documents, and they bear your signature." What documents? They are the answers I had sent him two months ago in response to his questions, and they have my signature.

[Muntasir] Did you send this response in your personal capacity or in an official capacity?

[Kafrawi] In an official capacity, of course. When any member submits a query to the assembly speaker, the latter refers it to the minister concerned. I received a letter from the assembly including a query by the member concerned on two main issues: Dumyat Port and the villas in 10 Ramadan City, which he says were awarded to people who did not deserve them. Regarding 10 Ramadan City, the member wanted to know precisely how much it had cost the government to build this city, the sources of financing, the value of loans, the number of villas constructed, the cost of each villa, and the name of the person who acquired it. Regarding Dumyat Port, he wanted to know the port construction cost, the loans that the government is obliged to repay as part of this cost, the quality of financing from the start of construction to the present time, the cost of constructing the new city of Dumyat, and the sources of financing.

This query was made two months ago. In fact, I sent two letters that were tantamount to two complete studies containing whatever pertains to the 10 Ramadan issue, including names of the people who purchased the villas, and to the Dumyat Port issue.

#### 'Sign'

[Muntasir] But Muhammad al-Sandayuni, the deputy who made the query, said something about the government shouldering 13 billion pounds of the cost of infrastructure and service projects in 10 Ramadan City.

[Kafrawi] These are statements he made when he began to get agitated. I was greatly surprised, not just because this figure is very far from the truth, but because it was pronounced by an individual whose main job is accounting. I pointed out in the reply I had sent to him that this [infrastructure and service] cost 397 million pounds. This cost was covered by the Ministry of Finance, which contributed 57 million pounds, and the National Investment Bank, which contributed 210 million pounds. The rest came from self-financing by the New Communities Authority.

[Muntasir] Perhaps the member meant the investments shouldered by the private sector?

[Kafrawi] Even if he meant this, the figure is still very far from the truth. Private sector investments in 10 Ramadan City are 2.9 billion, not 13 billion, pounds. Despite this, the querying member went on yelling and pointing out that the figure is painted on a "sign" at the entrance to 10 Ramadan City! Is this reasonable? Should one get his information from a road "sign"? Have matters reached the point where a People's Assembly member gets his query data from a "sign," that is, if the sign exists at all?

#### Igniting a Fire

[Muntasir] The member has also mentioned something about unprofitable construction companies and about construction company chairmen who have maintained their positions despite the loss.

[Kafrawi] He also made these statements when he was agitated. However, what would you say that if I told you that I do not control the construction companies now? Since November 1991, these companies have come under the minister of the public business sector, who is the prime minister. He is also responsible for the companies' current structure.

This is an open and exposed maneuver because the deputy is aware of this truth. He is also aware that a query was submitted to the prime minister and that he answered it. The objective of this maneuver was to compel me make statements contradicting those of the prime minister and to say: "When the companies were under my control, they did not lose money. But since coming under the prime minister's control, they have been losing!"

Despite all this, let me clarify all of the facts connected with this issue. The loss incurred by the contracting and construction companies from the time they were founded until 30 June 1991 amounted to 166 million pounds. This is the loss figure incurred by all the companies collectively over a span of nearly 30 years. All of these companies could have made a profit if they had collected their dues from the government on schedule. But the government does not pay! It owes these companies nearly 2 billion pounds for work and projects that they have implemented but for which they have not been paid. To carry on, these companies had to borrow from banks. They borrowed by open overdraft and paid high interest. Consequently, they turned into losing companies.

However, the truth is that this loss has been forced on them. They had to lose, considering that they did not get their dues from the government on schedule. They had to lose, considering that the government owes them 2 billion pounds.

Lest some people think that my words are intended to defend losing companies, I say that I dissolved the executive boards of five of these companies, out of a total of no more than 20 companies altogether, meaning that I dissolved one-fourth these companies' executive boards and dismissed five of their directors, who sued and lost.

This is my method and my way. If I feel that there is a suspicion of corruption, I do not let the official stay in his position for a single moment. At the same time, I asked the prime minister, who is commissioned by the president of the Republic, to let me extend the appointment of two of these directors, namely Salah Hasan and Salah Hasaballah, whose capabilities are not disputed by anyone.



Despite all this, the querying deputy brought up the construction companies' loss, knowing that the prime minister had previously answered a query on these companies. The deputy also knows that these companies are not under my control. So, do I exceed the truth when I say that it is an open and exposed maneuver?

What is more surprising is that the member went on to yell: "The tongue—the tongue that you know and the one in which the construction companies have been building!" What the deputy meant is Fa'id, where some ministers have built homes and villas, the same as many others. Why not? However, the construction companies have nothing to do with this land.

[Muntasir] I will ask again: Why were you angered by this query. Is a People's Assembly member supposed to withdraw his query to any minister just because he has received the minister's response?

[Kafrawi] What angered me is that despite all of the facts and figures I had sent him, the querying member distorted and overlooked the truth and proceeded to talk about issues that he knows nothing about, even though one is supposed to be embarrassed when faced with the truth.

What angered me is that he proceeded to criticize the 10 Ramadan project while knowing that one-quarter Egypt's current exports come from 10 Ramadan City alone. One-quarter Egypt's exports! This project was awarded a UN prize, and then we come to distort it! What conscience is this? What patriotic conscience is this?

This is why as soon as the assembly speaker announced that there was a query on this issue and asked me to set a date to respond to it, I answered immediately: "What response. I am ready. There is nothing that calls for study, examination, and gathering information, documents, and data. Everything is as clear as the sun!"

[Muntasir] And what was the member to do if he doubted the data and figures you had sent him?

[Kafrawi] Had he declared this clearly, or had he said that he doubted the data, figures, and information I had sent him, I would not have waited a single moment before asking for the formation of a fact-finding committee to investigate. I would have asked that the issue be referred to the public prosecutor. He did not say this. Instead, he proceeded to falsify, distort, and deface the truth. He even surpassed the bounds of objectivity completely when he referred, yelling and screaming, to the women that I know, the women to whom I have awarded the villas!

[Muntasir] And is it true that women got a large percentage of the 10 Ramadan villas?

[Kafrawi] These words can mean one thing only, namely that the esteemed deputy wants to give the assembly the impression that I have had affairs with the women. Can I consider such insinuation to be ethical? Is this permissible from a People's Assembly member?

What is surprising is that upon reviewing the sale records for these villas, I found that no more than 27 women were registered among the buyers, most of whom are from public authorities and ministries. For your information, I only know the name of one of these women, who happens to be an economics professor, a Consultative Assembly member,

and a state award winner. She purchased a villa for her son, a dentist. What should I have done with her, keeping in mind that she applied to buy as other people did? Even if all who applied to buy were women, what would be my offense? Doesn't it often happen that men buy housing units in their wives' names? Is it a crime? This is an excess [on the deputy's part] in every sense of the word?

### Three Years

[Muntasir] In his query, the deputy pointed out that these villas were awarded through connections to supporters and acquaintances to people who do not deserve them and at prices much below cost.

[Kafrawi] At the outset, when 10 Ramadan was just a piece of desert land, we considered building housing units so that factory owners, company directors, investors, and prominent engineers would be able to keep in touch with their work and their projects. Those housing units were called villas to encourage these people to purchase them.

At the time, there was no community. So did I make a mistake by building those units? Where could engineers, factory owners, investors, and others have stayed? Was I supposed to build sheds or erect tents for them? How about the experts who assembled the plants and installed the machinery? Should I have asked investors to accommodate them in five-star hotels in Cairo, from which they would travel to their work site each day, or should I have facilitated their stay with easy accommodation through the elegant housing units, which were called villas.

As for the cost of building these villas, the plot of land allocated for the construction of each unit was 120 square meters, of which 66 square meters were set aside for a frontyard and backyard garden and 54 square meters for a two-story structure.

As for cost, a unit cost 8,925 to 10,200 pounds. By adding land cost at the rate of 10 pounds per square meter, the total cost amounted to 11,334 pounds.

Because I believe that the government must not lose and that it is not right for the government to make a profit from housing projects, each unit was sold at a price that ranged from 11,569 pounds to 12,147 pounds.

Moreover, these units, which were built in 1982-83, were sold over a period of three years because nobody was interested in them at the time. We advertised the sale of these units for nearly three years, but nobody rushed to buy them. Of course, services had not been completed then, and the experiment was still in its early stages. I tried every means to get the citizens interested in buying them. They have been called "villas," but they are, in fact, two-story housing units with an area of 54 square meters. The bottom floor consists of a living room and a kitchen, and the top floor has a bedroom and a bathroom.

This is the entire story of the villas about which the querying member has filled the world with yelling and clamor. Nobody rushed to buy them, and nobody needed connections to acquire one. The inverse is true. I needed connections to sell them. Moreover, they were sold by the Housing Bank, not by me. When I announced this, the member held up the papers I had sent him and started yelling, "I have the documents, and they are signed by you." What documents

and what signature? He made it sound as if he acquired the information behind my back. I am the one who sent him the information.

#### Duyat Port

[Muntasir] How about Dumyat Port? Is it true that it has incurred a loss?

[Muntasir] Dumyat Port is a project of which I will be proud in this world and in the hereafter! I have noted before the assembly members that this project is one of Egypt's noblest, cleanest, and greatest accomplishments in the past 40 years. If you ask anybody what is the greatest project accomplished since the revolution, the immediate answer will be: the High Dam. If you ask him about other projects, he will only find Dumyat Port to rank behind the High Dam.

I truly consider it one of the projects that honors me, my country, and every Egyptian. Even though my nature always steers me away from boasting, because I believe that success is a blessing and a favor from God, I cannot stop myself from feeling proud of this project and from boasting about it.

This project was completed in 1987, i.e., it has been operational for nearly five years. I can say with utter confidence that what this project has accomplished in the five years surpasses the project costs, which amounted to 305 million pounds at the foreign currency exchange rates during the construction period from 1981-87. This cost includes 42 million pounds as the cost of building grain silos with a capacity of 100,000 tons and 111.7 million pounds that was disbursed to domestic companies, banks, and public authorities as interest on loans, compensation for

[expropriated] land, and so forth. If one calculates the delayed fines that Egypt had to pay to ships, and which it no longer has to pay, the time saved, the freight that was paid for wheat, and the revenue of the containers pier, one would find that the revenue is greater than the Dumyat Port's construction cost.

[Muntasir] *The interview, lasting nearly two hours, neared its end. In view of the emotions repressed in Minister al-Kafrawi's heart, I felt that I had to give him the opportunity to express the feelings churning inside him. So I said to him:*

Now that you have clarified all the facts, what do you exactly want?

[Muntasir] All that concerns me is the public, whose wisdom, good judgment, and ability to distinguish truth from falsehood I trust.

All that concerns me is my image which I have been trying since the start of my working life in 1955 to keep spotlessly clean in the eyes of all people.

All that concerns me is to keep the people's trust in a man they have accepted as a minister among them for 17 years. This is why I declared in front of all the People's Assembly members who attended this session, and why I declare again here: If a single word I have uttered conflicts with the truth, then I am prepared to resign, not just from my position but from society in its entirety. If I am wrong, I will not be able to endure the looks "powerless" people will give me. I will not be able to endure the looks of people I do not know. I have issued a statement that clarifies the truth. All I wish is for the public to realize that this query was no more than an attempt to distort the truth in the name of democracy. This is not democracy, because before anything else, democracy is honesty and honor.

### Role of Court System, Recent Decision Reviewed 93AF0350A Cairo ROSE AL-YUSUF 20 Dec 92 pp 60-62

[Article from Cairo by 'Abdallah Kamal]

[Text] Writing about this topic may be a crime and a mistake. It may lead to prosecution and a prison sentence in spite of the fact that it is related to the 7,000 people who participated in the most dangerous event of the year. They also represent the most important and purest authority in Egypt. Simply put, it is difficult to write about the judiciary after a strange year in the history of this authority in Egypt, after the judicial movement was declared last year and the attention of the scales of justice was concentrated on per diem and place of residence. Even the administrative judgment that said that the extremists must be tried before the military judiciary is not correct.

In both cases, there was a conflict between the authorities, and in both cases the snow white robe of the judicial authority was attacked. Even the minister of justice described the opponents of the changes as "private interest groups." There are even people who attacked Judge Tariq al-Bishri, the author of the administrative judgment and accused him of mixing his intellectual affiliations and his court judgments.

It was the first time that anybody criticized the judiciary in the newspapers. A member of the People's Assembly repeated what was said in the hallways from the podium of the parliament while commenting on the administrative judgment. He did this a few weeks after the rumors that justified the judicial movement as a reorganization of the judicial system in such a manner as to prevent individuals from gaining by remaining in a certain place for a long time.

The danger in writing about this topic is repeating the accusations. First of all, I would like to affirm my respect for the judicial system, and I would like also to say that someone who conveys blasphemy is not blasphemous. I would like to quote an important judge who said: "I have many reservations against the authority for which I work, but I am not going to speak now so that I do not appear to be pro-government and participating in the current attack."

This is one reservation among many. Another reservation was expressed by Judge al-Bishri, who said: "I refuse to say one word about the judgment I pronounced. This is my work, and I performed it as my conscience obliges me to do. I discuss any matters related to the judicial authority only with my colleagues and within the traditions of the profession."

In this way, the judges wrap themselves in ambiguity. This makes them a mystery. For example, we do not know how many resigned or the reasons for their resignations. We do not know how many judges were dismissed for disciplinary purposes. We do not know the steps taken by the judicial inspectors against a number of people who work in the court system.

In spite of all this we do know that we have heroes working on the bench.

We have numerous evidence. In the year 1990-91, the judicial system issued judgments in 7.6 million cases, of 82 percent, out of the 9.2 million cases submitted to it. In addition, Egyptian judges decided in 300 cases daily (a case a minute). Further, Egypt has only about 2,790 judges, 2,705

in the public attorney's office, 794 in the state council, and 915 in the administrative attorney's office.

We have heroes on the bench, but none of them, however courageous he might be, could judge the disputes of 25,000 citizens. This ratio is about five or six times what it is in England and Switzerland, and in Italy there is one judge for every 10,000 citizens.

We do have heroes on the bench, especially because Egypt has passed 59,111 pieces of legislation since 1924, and some of these laws have been amended more than 40 times, with the exception of Law 220/1951 on civil servants, which has been amended 88 times.

Our judges are still working in the midst of piles of papers and references, without any help and without even a computer to facilitate the work of the scales of justice in passing fair judgments.

This unknown authority that passes judgments in our disputes and saves us from the mistakes from the executive authority and some of the shortcomings of the legislative authority still has, and will always have, a good reputation. The proof is that no judges have been assassinated, contrary to what has happened to members of the other two authorities. What helps is that the Egyptian judicial system has the ability to get rid of the elements that violate the law.

The problem in this respect is when, how, and how many?

This question was asked last year, although silently, during the judicial movement that was described by Judge Muqbil Shakir, president of the Judges' Association, as unprecedented.

In 1985, one year after its return from a 14-year absence, the Supreme Judicial Council approved rules within the framework of the judicial authority. Also within this framework are a number of conditions that govern the lives of human beings, including judges, in Egypt, such as the economic crisis, the housing crisis, educating one's children, the issue of working women, and transportation difficulties.

Judge Muqbil Shakir said: "These rules meant that judges had the right to remain in their places of work. This meant that if a judge lived in Asyut, he could work in al-Minya or Suhaj. This might have led to increased stability and to better management of justice, instead of placing a very heavy burden on the judge.

What happened was very different. On 27 July, the Supreme Judicial Council enacted new rules on judicial movement, which led to transferring 1,200 judges from Upper Egypt to Lower Egypt and vice versa.

Judge Shakir said: "The worst days of my life were those where I had to stand before the council, the return of which I had struggled for out of eagerness for judicial independence, and say no to it."

During the last few months, this problem occupied the judicial system in Egypt. More than 900 judges submitted complaints about their transfers. The transfers of 300 judges were amended in the first movement, and the transfers of 140 judges were amended in the second movement. The Ministry of Justice provided some assistance to the rest in the form of lodgings and train tickets.

In spite of all that, the movement left a bad taste—to the extent that one of the ranking judges told me: “We established the Supreme Council to represent us, but it made an example out of us. We established it to speak on our behalf, but it dealt us a very severe blow.”

That was the condition of the judges last year and that was the opinion that was expressed within the judicial circles. But what about the relationship with us?

Because this question occupies many minds, I had to ask Judge Shakir this question: “Some circles think that this movement was so severe because of the fear of corruption due to the well-established relations of each judge within his specific area. What is your opinion?”

Judge Shakir said: “Thank God the judicial system has no blemishes. All the judges are very good, and all the judicial authorities are very keen to do away with anything that may blemish the system.”

Once more we find ourselves caught in the ambiguity of the authority that rules us. The judicial movement remains a complicated mystery for millions, with the exception of the 1,200 judges that are affected by this movement. For example, we do not know whether it was the decision of the Judicial Supreme Council known as the Council of Wise Men, or whether the Ministry of Justice played a role in what happened. If there was such a role, has the executive branch interfered in the affairs of the judicial branch, or has the council, with all its members, gone against the wishes of all of the rules of the snow white robe?

There are many questions, but in the end we realize that we live in a time in which we consider the judicial branch to be a fortress that defends us.

We live in a time when a court decision can dissolve the People's Assembly and in which the constitutional court says that the election law is incorrect.

In spite of all of the years during which these rulings were issued and enforced, we were surprised by the commotion that was made over the ruling that transferring the extremists to military tribunals is not correct.

This was a very sensitive issue that was discussed in the court system in Egypt in 1992. Some said that justice has taken off the mask that prevents it from seeing the parties in the case and ruled for one of them incorrectly. Other people said that, but we do not say it. We fall into the category that respects the rulings of the judges and believes that Judge al-Bishri has done his work according to what he saw fit and was within his legal and constitutional rights.

The problem is that we are living in a time where many things are mixed together—to the extent that we do not know who does what and to the extent that some do not consider the rulings of Judge al-Bishri as a mere legal opinion, but believe that they are linked to the declared political and social opinions of the judge.

Thus, the file on Judge Tariq al-Bishri was opened suddenly after his rulings so that some people would read that he had said: “The religious trend has real existence among the masses,” and “Dialogue was possible once between the secular trend and the religious trend, but it is now difficult due to the misunderstandings between the two sides,” and

“Development is not only social and economic, it is also cultural, with an Islamic basis.”

The extremists' activities were very severe and still are—to such an extent that everybody sympathized with the decision to transfer them to the military tribunals. Thus, the aftermath of Judge al-Bishri's ruling was one-sided, in that the ideas of the man were considered from one side and not from both sides. Nobody mentioned that the same man had once said: “There should be intellectual negotiations to put an end to the sectarian battle between the Islamic nationalists and the secular nationalists.” He also said there is “not just one Islamic solution, there are many. Some of them are extremist, and some of them are moderate. Some of them are progressive, and some of them are not.” He also said: “I am against violence in political action, but why do we always talk about the violence of the opposition, and we never talk about the illegitimate violence practiced by the authorities.”

I could not imagine that there is another judge that has been exposed to pressures similar to those that Judge al-Bishri has been exposed to lately, starting with being attacked in the press and ending with the attack on 'ABD-AL-RAHIM AL-GHULB in the People's Assembly. Then there was the rumor that there are some people who are waiting to catch the judge meeting with his friends who are leaders of the religious trend.

Such a rumor is more than enough to put pressure on the judge, not to mention pressure from the comments on a ruling, which should not have been discussed outside of the courts, or, as Judge Shakir said: “It is inappropriate and impermissible according to the law or the traditions or any other logic. The ruling is valid until another court says otherwise.”

The ruling of the administrative judiciary raises two issues.

The first issue is related to this slow system of justice that the extremists have been in for years without punishment. Does anybody remember what happened to the assassins of [late People's Assembly Speaker Rifat] al-Mahjub, or will the regular judicial system save the Egyptians from the guns of the extremists—the regular judicial system where the tricks of the lawyers are endless, where there are years of postponements until the blood is dry and those who ask for justice are dead, and where lawyers are hired to intimidate the judges.

Simply put, the issue is the difference between the regular system and the military tribunal system. It is the difference between years and weeks.

The second issue is the conflict between the authorities due to the ruling. There is a court case to take the legal actions against the member of the People's Assembly who attacked the judges in the parliament. Then there were negotiations between the leaders of the legislative and judicial authorities. On the one side, there was Fathi Surur, the speaker of the People's Assembly, and on the other side was Judge Kamal Anwar, and Judge Muqbil Shakir to contain the situation and to resolve it outside of the courts.

Whatever the results are, the conflict or the relationship between the authorities and the conflicts of the immunities will be a very important issue in the years to come.

Note: Use was made of the AL-AHRAM's strategic reports in the descriptions of the Egyptian system.

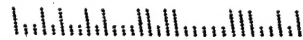


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